GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2642
ANSWERED ON:31.08.2007
PROMOTION OF PPP WITH VIABILITY GAP FUNDING
Adsul Shri Anandrao Vithoba;Verma Shri Ravi Prakash

Will the Minister of FINANCE be pleased to state:

(a) whether schemes to promote Public Private partnership (PPP) in various infrastructure sectors with viability gap support from the Union Government have been implemented in various States;

(b) if so, the details thereof, State-wise during each of the last three years;

(c) whether the Union Government has received external financial assistance for PPP projects; and

(d) if so, the details of the assistance disbursed to each State during each of the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) and (b) Yes, Sir. The Scheme for Financial Support to Public Private Partnerships in Infrastructure (Viability Gap Funding (VGF) scheme) to accelerate and increase PPPs in infrastructure was announced in August, 2005 by Government of India. In order to be eligible for funding under the Scheme the project must be developed, financed, constructed, maintained and operated during the project term by an entity with at least 51% private equity.The total VGF under the scheme is ordinarily limited to 20% of the project cost.The Government or statutory entity that owns the project may, if it so decides, provide additional grants out of its budget up to further twenty percent of the total project cost. The exact VGF support to be given would however be decided on the basis of competitive bidding. The sectors eligible under the Scheme are roads and bridges, railways, seaports, airports, inland waterways, power, urban transport, water supply, sewerage, solid waste management and other physical infrastructure in urban areas, infrastructure projects in Special Economic Zones,International convention centers and other tourism infrastructure projects.So far final or in principle approval for following amount under VGF Scheme has been given to under mentioned States:

State	No. of Projects	Amount of VGF (Rs. Crore)
Madhya Pradesh	07	245.38
Gujarat	03	365.48
Maharashtra	06	1827.86
Rajasthan	07	251.60

(c) No, Sir.

(d) Does not arise.